

THE HUDSON'S BAY COMPANY'S MEETING.

REPORT of the Proceedings of the Shareholders' Meeting of
the HUDSON'S BAY COMPANY, held on Wednesday, July
22nd, 1891.

A GENERAL Court of the Governors and Company of Adventurers of England trading into Hudson's Bay was held on Wednesday, July 22, at the Cannon Street Hotel, Sir Donald A. Smith, K.C.M.G. (Governor), presiding. The attendance of proprietors was large.

The Secretary (Mr. W. ARMIT) having read the notice convening the meeting,

The CHAIRMAN said: Ladies and Gentlemen.—As you have had the report before you for some two or three weeks, perhaps you will be good enough to take it as read. (Hear, hear.) It gives, I think, a clear and accurate statement of our transactions for the outfit and year with which it deals. We are greatly concerned, I need hardly say, to come before you with so poor an exhibit, and our only consolation—if it be a consolation at all—is the feeling that the causes of this bad result were beyond our control, and, as we believe, beyond the control of our officers in Canada. The profits for the year, you have no doubt observed, are £16,496, and there is brought forward £39,864, making altogether £56,360, from which there is to be deducted £32,500 representing the dividend of 6s. 6d. per share, or 2½ per cent., which we recommend, leaving the sum of £23,860 to be carried forward. The bad results of the year's working are owing mainly to three causes—first, the poor out-turn of the trade; second, the great sickness and mortality among the Indians; and third, the small amount of land sold. With regard to the first of these causes I may say that although the sales of last March were in some respects better than those of the former year, yet in one of the most important articles dealt with, namely Martens, there was a very unfortunate falling off in the price obtained. If we go back thirty years and look at the first fifteen years of that period the average price obtained for Martens was 23s. 6d.; while for the last fifteen years the price has been barely 10s. Similarly the price of Minks has declined from 12s. 6d. to 4s. 1d. It may be said that this being the case we ought to give less for our furs. Unhappily it is impossible to do so. Indeed, I may tell you that when you were getting as much as 23s., or even 30s., for Martens over here, you had not to pay so

much for them in Canada as you do at the present day. This is due to the competition which we now have to contend against, and which has increased very greatly in recent years. In the second place, there has been great suffering among the Indians, and this necessitated a greatly increased expenditure of imported provisions and a consequent larger increase in the expenses of conducting the business. In former days it was a comparatively simple thing to carry on our trade and make good profits when we enjoyed what was practically an absolute monopoly, but now we have competition of every kind to face. In Winnipeg, in Victoria, and at all other points there are dealers ready to give the highest prices for furs, and we, of course, have to meet this by giving as high prices as may be warranted by the state of the market. I do not mean to say that our officers purchase the furs in a haphazard way without trying to get them at the lowest possible figures, but the prices we have to give in some cases yield such infinitesimally small profits that they go a very little way indeed towards the payment of a dividend. To all this, of course, your directors have not been blind. We have sent inspectors into the country to report in what directions economies can be effected, and, further, we have acted on the principle of giving up every post or station where it seems certain that no profit can be made. (Hear, hear.) It may be said that if the fur trade has been so unprofitable as a whole it would be better to give it up altogether. (Hear, hear.) I think, however, that if the proprietors who hold that view were acquainted with all the circumstances they would modify that opinion very considerably. In fact I venture to say that were you to attempt to abandon abruptly the whole fur trade you would lose more than half the capital embarked in it.

Mr. JACOBS : It must be badly invested, then.

The CHAIRMAN : It is not as if you could put the trade up to auction. You would have no buyer if you did, and the result would be that a very large portion of your goods and establishments would be absolutely sacrificed. Such being the case, we have thought it wisest in your interests to look narrowly into all the circumstances of the trade, and, as I have said, to give up only those posts which yield no profit whatever; and while we regret that circumstances render it necessary to pursue this course, I may say that we are not without hope of a better state of things in the future. (Hear, hear.) There are indications, for instance, that Martens and Minks are rising in price, a result which will probably be contributed to very materially by the diminution in the number of fur seals thrown on the market next year, in consequence of the arrangement come to between this country and the United States in connection with Behring Sea.

You have seen in the report that the Board has appointed **Mr. C. C. Chipman** to the position of Trade Commissioner in succession to **Mr. Wrigley**. **Mr. Chipman** is a gentleman in whom we have much confidence. He has been engaged in many important matters, and has a thorough knowledge of accounts, which will be of the utmost assistance to him in conducting the business. Our aim has been, as you have been told on more than one occasion, to place before you the clearest and fullest statement of accounts, consistent with the

proper protection of your interests. At the same time it is not easy to do this in our case, taking into account the widespread character of our business, and the great number of the posts occupied, and remembering that it is impossible for us to maintain at every post a competent accountant, as the cost of doing so would greatly add to our expenses.

You will notice in the report it is mentioned in regard to the marine insurance account that the Company has lost nothing this year. Mention is also made of another insurance account, namely the Fur Trade fire insurance account. In this connection I should explain that we have many posts in Canada upon which it would be impossible to effect insurances in the ordinary way, so that the Company has been charging for the past twenty-one years the Fur Trade with £2,000 every year in order to build up an insurance fund. Out of this fund there has been paid during this period £22,859 for losses, and there remains a balance to the credit of the account of £19,543.

You observe that the sales of farm lands amounted to 17,142 acres for 100,677 dols., and of 130 town lots for 104,620 dols., yielding in all 205,297 dols., as compared with 242,761 dols. for the year ending 31st March, 1890. The cause of this decline must be sought largely in the indifferent harvests of 1889, and the depressed condition of business in general throughout Canada, which, no doubt, prevented many from becoming purchasers of our lands who otherwise would have taken them up. As I have frequently stated at former meetings, the best purchasers of our lands are those farmers who, having taken up free homesteads from the Government, are anxious to have adjacent lands belonging to the Company for themselves and their relatives. The actual price obtained per acre, you will see, is somewhat better than that of the year before, namely, 5 dols. 87 cents per acre as against 5 dols. 75 cents in 1890. In this connection I should like to remind you that as far as our lands are concerned we are purely a land company and differ in this respect from railway companies owning land, who can afford to part with their lands at lower prices because they know that it means increased traffic on their lines, which will in this way yield them a greatly increased annual revenue far beyond any profit derived from the sales of their land. We, on the other hand, having no such advantages, must wait until we can get prices satisfactory and remunerative in themselves. Just now there are indications of a good harvest. The same has been said in former years, but unhappily in several instances the promise of the spring and early summer has not been borne out by the result of the harvest. This season, however, it is generally agreed in the North-West that there is all but a certainty of such abundant crops as they have not had for many years, and should it turn out so, as I sincerely trust may be the case, it will affect very favourably not only your land sales, but your general business. I think I have now given all necessary explanations, but I shall, of course, be pleased as far as I can to answer any inquiries which you may put to me. In the meantime I beg to move that the report and accounts be received and adopted. (Cheers.)

VISCOUNT ANSON (Deputy-Governor) seconded the motion.

MR. McLEAN: I think, sir, there is one point upon which we are all agreed—namely, that the report and accounts before us are thoroughly unsatisfactory. In this business of ours we have invested, in the trading branch, a capital of £900,000; we have a Company which has been longer established than any other, which has enjoyed—and still enjoys to a very large extent—almost a complete monopoly, and which has a prestige and reputation such as no other company can compare with, and yet the net result for the year is that we have not realised a single farthing of profit. The £16,000 so-called profit put down in the accounts comes from our land sales, and properly regarded is not profit at all. (Hear, hear.) I should be glad if this were all, but I find we have £14,000 of income in the year from interest on debentures and dividends from investments, and that is all gone also, so the net result is we are many thousands to the bad in our trading, and all our exertions in the North-West for the twelve months under review have resulted in worse than nothing. For this two main reasons are assigned, namely, the failure in the crop for 1889, and the comparative famine among the Indians. I don't know whether it has been your experience, but it has been mine, that the dispensations of Providence are always cited as the cause for the non-success of the incompetent and the extravagant. (Laughter and cheers.) For my own part I am always inclined to look for reasons of a more mundane character, and it seems to me, therefore, that mismanagement and extravagance are the two main causes of our failure. We have embarked a capital of £900,000 in trade, and as far as I can gather from the accounts our turnover in the year has been £261,000. That leads me to conclude that we have far too much capital embarked in this business. Of this capital you notice that nearly £200,000 is in cash, and £75,000 in investments, which I take to be dividend-bearing investments. It therefore comes to this that we have not only £900,000 sunk in the trade, but £200,000 in money and £75,000 easily realisable investments—in all £275,000 for doing £260,000 of trade. If you will cast your eyes over the trading account and look at the London expenses, I think you will realise that they are examples of extravagance. First comes the item, "Governor and Committee, £2,400." Now I don't cavil at the good payment of those who do our work if they do it well. But under the circumstances I would suggest to the Board whether, under the circumstances, they could not consent to take say £1,000 in the shape of fees and make up the rest by a fair percentage upon the profits divided each year. Again, we have the sum £3,285 for the salaries of the secretary and other officers. I ask you to say what these salaries are. (Hear, hear.) Over £7,200 goes in warehouse expenses and rent and taxes in London. I venture to suggest, in regard to the warehouses, that it is not necessary for us to take expensive premises in the heart of London for warehousing our goods. This could be done down nearer the docks for a mere fraction of what we are now spending. With regard to the other item "Rent and taxes of offices in Leadenhall Street, etc.," which comes to nearly £4,000, that is simply preposterous, and I trust that if

you are going to cut down expenses in Canada you will not omit to do the same at home. Then there are sums of £1,104 for stationery and printing, and £1,888 for miscellaneous expenses, altogether £3,000 for these items alone. I ask you, sir, to explain them. I am very glad to hear that accounts are to be prepared giving fuller information. I trust they will be made so full and complete—without, of course, disclosing anything calculated to damage the Company—that we shareholders may be enabled to assist the Board in the administration of this large undertaking. (Hear, hear.) With regard to the bad harvest of 1889, it strikes me as strange that, while this should account for our non-success, the Canadian Pacific Railway Company has been going on steadily improving, increasing its traffic and profits, until now its shares stand at a higher figure than ever before. How is it that a railway company, in the very same region as that which we occupy, is ever increasing its earnings and doing a bigger business; while we, with all our capital and prestige, are going steadily from bad to worse? With reference to the famine among the Red Indians, I am sure every man feels for them; but what I say is that it is no business of ours to play the part of a paternal government over these unfortunate men. There was a time, it is true, when this Company actually was the government, and when it was really its duty to look after them in this way; but that state of things ceased the moment we handed over our territory to the Dominion of Canada, and now if there is famine or scarcity among them it is a matter for the Government of Canada and not for the Hudson's Bay Company to see to. (Hear, hear.) Then, coming to the constitution of the Board, let me say first that I hope my remarks will be taken in good part, and not as intentionally personal or offensive. I can quite understand, sir, that you regard it as one of the crowning achievements of your life, that after over fifty years' service in the Hudson's Bay Company you have risen to the high and honourable position of its Governor. There is no one here more glad to see you there than I am, and nothing would be more sad and grievous to me than that you should spend the closing years of your life in leading the Company to destruction. (Hear, hear.) To have right men at the head of the Board is obviously most important. The Governor of the Company is necessarily for a long period of the year in Canada, and unable, therefore, to preside very frequently at the meetings of the Board in London. This duty is therefore delegated to the Deputy-Governor, and hence it is of the utmost importance that he should be a man of power and capacity, and thoroughly fitted for the position. His position is more important than that of any other single director, because, as president of the Board in London during the greater part of the year, his duty it is to determine the policy of the Board, and practically to lead the other directors. Now, I have nothing to say against Lord Anson personally—in fact, all that I know of him personally is good; but the question is whether or not he is the best man who could be obtained for the position which he occupies. For my own part, it seems to me a mistaken policy when you want a man to manage a business like ours to go to a member of the aristocracy and put him forthwith at the head of the Company. If a shipowner is sending a vessel to sea, where does he look for a captain? He tries

to obtain the services of the most tried and competent seaman he can find. And is not this a great ship in which we are all embarked, and is it not absurd to select a young man, like Lord Anson, to place at the helm of the vessel? (Hear, hear.) I say it is, and I trust that my words will be taken to heart. This is not a Company upon which the 'prentice hand of any man should be tried. Of the other members of the Board I say nothing; but this I do say, that unless an improvement and reformation in the administration of the Company is shortly visible, there is a revolution in store of which they would do well to be forewarned. Now, sir, let me say a word in regard to the important question of the purchase of stock. Last year we purchased £200,000 worth. I would like to ask upon what principle these goods were purchased. Do we buy in the cheapest market and do we get tenders wherever it is possible to do so? We pay cash and buy large quantities, and therefore there is no company which ought to buy goods more cheaply than we do. With regard to the fur trade it has several departments. First, there is the purchase of furs from the Indians, and in regard to this point I hope we shall utter an emphatic protest against the principle laid down by the Chairman when he said that we ought to go on buying furs in Canada irrespective of the prices obtained for them in this country. A more disastrous policy than this I can hardly imagine.

THE CHAIRMAN: What I said was that furs were purchased as long as there was a profit, even though it might be a small one.

MR. McLEAN: If you only did that, that is, if you realised a profit on every transaction, there could be no loss. Next comes the question as to the disposal of the furs. After purchase they are shipped here and put upon the market, and I understand that the whole of them are sold for what they will fetch. Now, I am informed on good authority that there are combinations formed among the principal dealers to keep down the prices.

A SHAREHOLDER: No, no; nothing of the kind.

MR. McLEAN: Well, be that as it may, it seems to me that having spent our time and money in bringing the furs to this country we ought to place a reserve price upon them, and not allow them to go at prices which will not remunerate us; and I venture to say that this could easily be done, for purchasers of furs must have them, and further I would point out that however low are the prices we obtain there is no corresponding reduction in the retail prices. Again, the producers and sellers of these furs are so small that it would be the easiest thing possible for them, including the Hudson's Bay Company, to put their heads together and arrange not to accept less for them than remunerative prices, and then if there were any unsold they could be dressed and preserved until better times. There is another point in regard to our North-West trade. We don't know at what expense it is carried on. The accounts don't show us, and it is impossible to find out particulars about it. Whether the Winnipeg store is making a profit or a loss no one knows. Whether the store at Vancouver is losing or earning money is not stated. And the same applies to all our ports and trading stations throughout the country. The whole thing is lumped together in such a way that it

is quite impossible to make head or tail of it. Another question is that of opening the register to the shareholders so that we can find out who our fellow-shareholders are, and what amount of stock they hold, as the shareholders of every other limited company in the country can. With regard to the land, we have a balance transferred to the profit and loss account of £16,862, but the sales which have been made have been at a working expense, apart from taxes and surveys, of £4,000. I venture to say that that is a most exorbitant sum for all the work and expenditure which need be incurred. No less than 10 per cent., in fact, of our land sales has gone in working expenses. One other land company I know of sells land in the North-West and keeps the whole expenditure incurred—salaries, commissions, and everything else—under 5 per cent. of the prices obtained. Had we done the same we should have spent £1,760 instead of £4,000. With regard to our land in general, I find there is very great ignorance abroad about it. I looked up the Government official returns of last year, published in the annual report of the Minister of the Interior, and I find that the Company's land already surveyed amounts to 3,607,000 acres. I suppose about half the land is surveyed, of which we are entitled to one-twentieth. Therefore we have a reversionary right to at least as much again, bringing our landed property up to some 7,000,000 or 7,500,000 acres, the whole of which, it must be remembered, is situated within what is called the Fertile Belt. There is great confusion in the Land Account, I think. On the debit side you will see a charge of £2,366 for depreciation of buildings. I should like to know what buildings there are upon which there is a depreciation of over £2,000. All the buildings we have in Canada, or nearly all, pertain to the trade, and it is to the trading account, therefore, that such an item should be charged. I am glad to hear that amidst all this gloom there are signs of hope. I think, moreover, we should remember that the accounts with which we are dealing are more than twelve months old. With regard to the trading account, more than twelve better months have come and gone since the period it deals with, and Providence may have been on our side during this time. We should also bear in mind the fact that there is every prospect of a failure of the wheat crop this season in the great wheat-producing countries of the world—I mean India and Russia—which cannot fail to have a favourable effect upon all other countries from which wheat can be obtained. A third reason for taking a hopeful view of the situation is to be found, I think, in the appointment of Mr. Chipman as our Trade Commissioner. I have made considerable inquiry about this gentleman, both in Canada, and in London, and have also had reports furnished voluntarily to me about him, and while some of them were unfavourable, I am glad to say that most of them were otherwise, so much so, indeed, as to lead me to conclude that the appointment of Mr. Chipman is a most hopeful one. His past record is one of considerable promise, and his capacities are undoubtedly very great. Perhaps the only thing which remains to be proved is that he has a sufficient knowledge of business matters to enable him to grasp in all its details and ramifications this vast business of ours which he has been appointed to direct. I only

trust that he may prove himself equal to the task ; he has my best wishes for his success. Such are the reasons which induce me to regard the future with some hope. If, however, our hopes should be belied, if in spite of these causes I have referred to, we continue to experience such years as that under review, it seems to me we shall be within measurable distance of one of two things—to wit, either a very considerable revolution within the Company or else the abandonment of the business altogether. I should be sorry to have to take any part in either one or other of these alternatives. I have no interest whatever in this Company, save as a very large shareholder, and one who has always endeavoured to keep an eye on its administration. (Cheers.) But if such misfortune as that I have indicated ever should befall us, and it became necessary for us to consider the question of abandoning the Company, I do not think the results would be so disastrous as you, sir, have indicated. We have £275,000 of money and investments, and, altogether, when it came to be realised I take it that there would be a very large proportion of the capital embarked in the trading business to be returned to the pockets of the shareholders. And I say further, sir, that in the event of such a contingency arising as that referred to, it would be best for us to have the money, so that we could make a profit with it for ourselves. (Cheers.)

Mr. J. JACOBS (Birmingham): It seems to me, sir, that you let the cat out of the bag when you said in your speech that you were going to close up those businesses in Canada which do not pay. You also seemed to me to make a most extraordinary admission when you confessed that since other traders have gone to Canada you can no longer make profits. As a business man, I should view the matter rather differently. If I had a business which once did pay, but which, in consequence of competition, ceased to pay, I should not suggest the winding up of the business ; I should simply change my manager. What we want is a sweeping change, both on the board in London and among the officials in Canada. Ours is a very old business, and I daresay the posts in Canada have been handed down from father to son without particular regard to the capacities of those who have taken them up in this way. We want new blood, and for my part I should like to see Mr. McLean on the Board. (Cheers.) It appears to me that we have a capital of £1,300,000, and with this make a profit of £16,000, which is absurd and ridiculous. My shares once stood at 38 ; to-day they stand at 15½. One year we are told it is owing to a rainy season, next year it is put down to a dry season ; one year furs are in fashion, next year they are out of fashion ; and so it goes on from year to year. Against the members of the Board individually I have nothing to say, but collectively I say they are a great failure. (Cheers.) If they can't manage our business in Canada successfully they should let some one else try who can. (Hear, hear.)

Mr. BOYLE: Though I listened to Mr. McLean's remarks with much interest, I cannot help thinking that he will feel sorry afterwards for a number of things he said. Undoubtedly we are in an unfortunate position ; the question is how are we to get out of it.

Shall we do it by attacking a body of gentlemen who are devoting all their time, knowledge, ability, and experience to our affairs? (Hear, hear.) Mr. McLean has been full of complaints. It is very easy to criticise, and we all know the adage which says that many a fool can ask questions which wise men cannot answer. It is suggested that the Board should take a percentage upon future dividends. How would the shareholders like this arrangement if the dividends ever came to a large amount? Another suggestion was that we should try to form a "ring" in furs, and that we should keep our furs until we could get our own prices. It would be impossible for us to do either of these things, I am convinced, and I should be strongly opposed to our attempting either of them. As to the personal issues raised by Mr. McLean, I am one of those who hold that even though a director be a lord he may be a very good man of business notwithstanding, and I hope that for many years to come Viscount Anson may continue to hold the position which he occupies at the present moment. (Hear, hear.) Before you talk about displacing the present Board you had better be sure you can put a better Board in their place. If you think you can do this, I differ from you. I would remind you, too, that some of the present directors have only recently been appointed, and consequently have not had a chance as yet of showing what they can do. (Hear, hear.)

MR. CHAPLIN suggested that the trading account should be separated from the land account, and worked separately, and inquired if this matter had been considered by the directors.

MR. SPENS thought there was a tendency observable to exaggerate somewhat the evils of the Company's position. This was perhaps due to the note of alarm struck by the chairman in his opening remarks, when he threatened the shareholders with the loss of half their capital if the business came to be wound up. He should have thought that £200,000 or £300,000 would have been a more reasonable estimate. The way in which the Board had withheld the long-promised reform in the matter of the accounts was most objectionable; they had put it off year after year in the most unnecessary manner. These were the sort of things which destroyed the shareholders' confidence in the Board.

MR. LOMAS thought the £23,000 carried forward, being money earned, ought to go into the pockets of the shareholders. As it was, if proprietors depended upon the dividends of the Company for their support, their condition would soon be as bad as that of the Red Indians who have been referred to. (Laughter.) At the same time he doubted if Mr. McLean would be able to do any better than the present Board if he were elected a director. The men on the Board were as good as any to be found in the city of London, and to displace them would be the worst possible policy.

MR. G. E. FRANCIS considered it a delusion to suppose that good harvests in Canada would do much good either to Canada generally or to the Company in particular, for the fact was that the only paying crop in Canada was corn. Wheat did not pay, the prices obtained being regulated entirely by those given for Indian and Russian wheat.

It was, however, most important in the interests of the Company that the settlers and inhabitants of Canada should be prosperous and contented, and therefore he was in favour of such limited protection as might be necessary to attain this end.

MR. NORBURY asked what was the arrangement in regard to the remuneration of the commissioned officers?

Another SHAREHOLDER—referring to the distress which had been experienced by the Indians, and the efforts which had been made by the Company to relieve it—inquired if the rivals of the Company in Canada, to whom reference had been made, had also contributed their fair share towards the support of these Indians?

The CHAIRMAN, replying to the various questions which had been put, said Mr. McLean was undoubtedly right in holding that the statement laid before the shareholders was not of such a satisfactory character as could be desired; but when he contended that the management was extravagant, he was mistaken. I can assure him and the other shareholders that it has been our earnest study throughout to reduce the expenses of the Company to the utmost possible extent, consistent with the efficient conduct of the business. Mr. McLean's suggestion that we should take cheaper warehouses cannot be acted upon at present, as we hold the premises upon a sixty years' lease, of which thirty years have yet to run; and it would not be possible for us to sub-let them except at a large amount of loss. As to the directors' fees, the amount assigned to the Board was £3,500 some years ago, but for the past two years the directors have not accepted more than £2,400. For my own part, no fees whatever would induce me to retain my position if I felt that I could not continue to be of substantial service to my fellow shareholders, and I know that I can speak equally in this respect for every one of my colleagues at this Board. It is true, as Mr. McLean said, that I am in Canada a good deal, but while there I can assure him I am not idle; I may go further and say in all sincerity that there is nothing which occupies a larger share of my time and attention whilst I am in Canada than the business of this Company. It is not less the case that I am in England twice a year—in all fully four months. Mr. McLean complains that the Board have gone out of the circle of business men to find a Deputy-Governor, and have taken him from amongst the nobility. Does Mr. McLean wish to assert that in this latter order men acquainted with business are not to be found, or that we have not many instances of peers who have proved themselves most capable in all the walks of life? The Deputy-Governor, my friend Lord Anson, has given himself devotedly to the Company's interests, he has done very good work indeed for the Company, is a good man of business, and he applies himself to the work which devolves upon him in the best possible way. (Hear, hear.) As to the purchases made by the Company, we endeavour to buy in the cheapest, as well as the best market, and wherever possible obtain tenders from different quarters, not only in this country but also in Canada. Mr. McLean's impression that I had said our purchases of furs were made irrespective of the prices likely to be obtained for them is quite erroneous. What I did say was that the profits obtained on them were often extremely small.

The suggestion he makes that we should hold the furs over when we cannot get good prices has often been considered and pronounced impracticable. There was no certainty of getting more for them in any succeeding year, and the expense and risk of holding them would be very great, involving much larger warehouse accommodation, with the risk of deterioration in the value of the furs.

With reference to the proposal to open the register, it was intimated to the Board some time ago by many shareholders that they did not desire this to be done, and consequently the Board have taken no action in the matter.

The expenses of the Land department are larger than we could wish, but they are steadily being reduced. Last year there was a reduction of £2,000 in this item, and this year a further decrease of £1,100; and I think Mr. McLean will admit, if we go on at this rate from year to year, there will not be much to complain of in this respect; and, in passing, let me say that not only in the management of the Land, but also of the Fur Trade, substantial saving is being effected.

The buildings referred to by Mr. McLean are certain grist mills and other structures erected in several parts of the country with a view mainly of inducing immigration to these districts, and so enhancing the value of the Company's lands. In the first instance they were held by the Fur Trade, but they have since been taken over by the Hudson's Bay Company, under agreement sanctioned by the shareholders some years back.

The condition of the country in which much of the Company's business is carried on is such that it is necessary to make advances to the Indians to enable them to prosecute their hunt and trapping, and if unsuccessful in this, a certain portion of these advances is lost to the Company. I readily admit the contention that it properly rests with the Canadian Government to come to the aid of destitute and starving Indians, and the Board have not failed in pressing this view of the case on the Government, which to a certain extent has come to the relief of these poor people.

Mr. Spens complains that I took a doleful view of the situation in the opening part of my remarks. I certainly had no desire to do so. I have much hope that better times are in store for us, and think that both from the land and from the trading you may expect substantial returns. Especially as regards your lands, you have a great property, the value of which cannot help increasing year by year as time goes on; and even from the Fur Trade we can still hope to look for at least moderate dividends.

The *Prince Rupert*, I am glad to say, was safe in winter quarters when last heard from, and her captain has every expectation of bringing her home with her cargo in good condition this season.

In answer to Mr. Norbury's question, I would state that the remuneration of our commissioned officers ranges from £200, which is the sum guaranteed to junior officers, up to £500, which the chief factors receive, and no one who knows the nature of the work performed by them will think this pay excessive. As to the salaries in London, the secretary receives £1,500, and the assistant-secretary £250. For the rest we have, as you know, a very extensive and

complicated business to deal with, which naturally necessitates a large staff, but we are endeavouring to reduce the expenses to the utmost possible extent. I think I have now replied to all the points raised by the various speakers. (Hear, hear.)

VISCOUNT ANSON: I should just like to say, with reference to Mr. McLean's attack upon the management of the Company, that the present Board is not the Board of a few years back, no less than five out of the nine directors having joined it within the last three years, and three of them within the past two years—namely, Mr. T. R. Grant, Mr. Thomas Skinner, and Mr. John Coles. I have no hesitation in asserting that it would be impossible to pick out from the whole City of London three men more thoroughly conversant with commercial matters, and more capable by universal consent of managing the affairs of the Company, than these gentlemen. (Hear, hear.) So far as I myself am concerned, I did not seek the position which I occupy; but so long as I command the confidence of my colleagues on the Board, and that of the bulk of the shareholders, I shall continue to do my best to serve the Company. (Hear, hear.)

The motion for the adoption of the report and accounts was then put and carried with two dissentients, this terminating the proceedings.